



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

George A. Dalley, Treasurer
National Leadership PAC
2100 Pennsylvania Avenue, NW, Suite 400
Washington, DC 20037

DEC 2 1998

Identification Number: C00302588

Reference: October Monthly Report (9/1/98-9/30/98)

Dear Mr. Dalley:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Pursuant to 11 CFR §110.6(c), all earmarked contributions that are forwarded in the form of the contributor's check, must be itemized on the receipt (Schedule A) and disbursement (Schedule B) schedules as memo entries regardless of the amount. Please identify the original contributors and the candidate designated by each contributor for the earmarked contributions disclosed on Schedule B (sample enclosed).

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 694-1130.

Sincerely,

Debbie Chacona

Debbie Chacona
Senior Reports Analyst
Reports Analysis Division

4. Reporting Conduit Activity

The conduit must comply with special reporting rules, which vary depending on whether the contribution was deposited in the conduit's bank account or was passed on directly to the campaign in the form of the original contributor's check. 110.6(c)(1)(v).

Report Filed with the Government

Registered Political Committee
A registered nonconnected committee acting as a conduit must disclose its activity on its next regularly scheduled FEC report. 110.6(c)(1)(ii).

Unregistered Entity

An individual or other unregistered entity acting as a conduit must disclose the activity in a letter to the FEC within 30 days after forwarding the earmarked contribution. 110.6(c)(1)(ii).

The letter should contain all the information listed below for conduits.

Contributions Deposited in Committee's Account

Schedule A

If an earmarked contribution passes through a nonconnected committee's account, the committee reports the following information on Schedule A:

- The name and mailing address of each person making an earmarked contribution (including earmarked contributions of \$200 or less) (110.6(c)(1)(iv)(A));
- The occupation and employer of each individual making an earmarked contribution exceeding \$200 (110.6(c)(1)(iv)(A));
- The candidate designated by the contributor as the recipient of the contribution (110.6(c)(1)(iv)(B));
- The election for which the contribution was designated, if any (see 110.1(b)(3)(i));
- The amount of the earmarked contribution (110.6(c)(1)(iv)(B)); and
- The date the contribution was received by the conduit (110.6(c)(1)(iv)(C)).

EARMARKED CONTRIBUTIONS

SCHEDULE A ITEMIZED RECEIPTS		PAGE OF	
Contributions from Individuals		Last page(s) submitted for each category of the Conduit Summary Page	
Any information listed on such Report and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes other than using the name and address of any political committee to solicit contributions from such committee		FOR LINE Number 110(b)(1)	
Name of Committee		PAGE OF	
Fund for a Better Government		Last page(s) submitted for each category of the Conduit Summary Page	
1. Person's Mailing Address and ZIP Code Michael Chaplin 4 River Road City, State ZIP		Name of Employer American Corporation	Date Month Year Year
Pupose for <input checked="" type="checkbox"/> Person <input type="checkbox"/> Business <input checked="" type="checkbox"/> Other <input checked="" type="checkbox"/> One election <input checked="" type="checkbox"/> One year		Amount of Each Contribution Period	\$500.00
2. Person's Mailing Address and ZIP Code Above contribution earmarked for Sam Jones, House candidate, 2nd (State).		Name of Candidate Sam Jones	Date Month Year Year
Pupose for <input checked="" type="checkbox"/> Person <input type="checkbox"/> Business <input checked="" type="checkbox"/> Other <input checked="" type="checkbox"/> One election <input checked="" type="checkbox"/> One year		Amount of Each Contribution Period	\$500.00

SCHEDULE B ITEMIZED DISBURSEMENTS		PAGE OF	
Contributions to Candidates		Last page(s) submitted for each category of the Conduit Summary Page	
Any information listed on such Report and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes other than using the name and address of any political committee to solicit contributions from such committee		FOR LINE Number 83	
Name of Committee		PAGE OF	
Fund for a Better Government		Last page(s) submitted for each category of the Conduit Summary Page	
1. Person's Mailing Address and ZIP Code Sam Jones, House candidate, 2nd (State) 318 Main Street, City, State 242		Name of Disbursement See below	Date Month Year Year
Pupose of Disbursement <input checked="" type="checkbox"/> Person <input type="checkbox"/> Business <input checked="" type="checkbox"/> One election <input checked="" type="checkbox"/> One year		Amount of Each Contribution Period	\$500.00
2. Person's Mailing Address and ZIP Code Above contribution earmarked by Michael Chaplin and transmitted by committee check.		Name of Disbursement See above for <input checked="" type="checkbox"/> Person <input type="checkbox"/> Business <input checked="" type="checkbox"/> One election <input checked="" type="checkbox"/> One year	Date Month Year Year
		Amount of Each Contribution Period	

These reporting procedures apply when the committee deposits an earmarked contribution before transmitting the funds to the candidate for whom the contributor earmarked them. When the committee transmits the contributor's original check, the procedures are the same, but the dollar amounts are listed as memo entries.

Schedule B

Once the committee has forwarded the contribution to the candidate (after depositing it in its own account), the committee reports on Schedule B:

- The candidate designated by the contributor (110.6(c)(1)(iv)(A));
- The date the contribution was forwarded (110.6(c)(1)(iv)(C));
- The amount forwarded to the candidate (110.6(c)(1)(iv)(B));
- The election designated by the contributor, if any (see 110.1(b)(3)(i));
- The name of the contributor (110.6(c)(1)(iv)(A));
- A notation that the contribution was forwarded in the form of a check drawn on the conduit's account (110.6(c)(1)(iv)(C)); and
- A statement indicating that the conduit's limit was also affected, if appropriate (110.6(d)(2)).

Undeposited Contributions

If the committee forwards the contribution without depositing it first (i.e., in the form of the contributor's original check), the committee must itemize the same information listed above in memo entries on Schedules A and B. The entries should indicate that the contribution was passed on in the form of the contributor's original check and, if appropriate, should indicate that the conduit's limits for that candidate were affected.

